



STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR

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WHAT YOU NEED TO KNOW ABOUT MEDICAID

We must keep the system going

- The program may be complicated, but the policy decision is crystal clear: Medicaid requires a fair, permanent, sustainable source of revenue for the long-term in order to protect the solvency of the program for people who most need help with their health care.
- For 15 years, Mississippi hospitals paid part of the state Medicaid match and received federal Medicaid reimbursements. Under SB 2013 – a revised version of what was in place for years – hospitals in Fiscal Year 2009 will pay in \$200 million and get back \$1.25 billion in reimbursements and distributions.

Same tired old thinking doesn't work anymore

- Nothing in the Medicaid bill passed by the House is fair, permanent or sustainable. The House would cover the current \$90 million shortfall in Medicaid revenue with a one-time withdrawal from the state's savings account, giving hospitals a big tax break on the backs of taxpayers.
- Hospitals reap the benefits so hospitals should pay the tax, and have volunteered to do so.
- Under the House bill, in the next regular legislative session in January 2009, the same issues will have to be dealt with again. It's not fair to put Medicaid providers and beneficiaries, and Mississippi taxpayers through the wringer again when a real solution is available now.

It's not politics, it's policy

- Hospital leaders, including their directors, administrators and the physicians and nurses who staff them, overwhelmingly supported Governor Barbour in both his 2003 election and his reelection last year. The entire health care community has been part of the Governor's strongest political base.



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- If Medicaid funding really was about politics, Governor Barbour's political interest would be to protect the hospitals and divert more of the burden of paying Mississippi's state share of Medicaid costs away from them and on to others.
- Instead, he says it's not fair to taxpayers to give hospitals a big tax break when hospitals have paid similar taxes for 15 years, at their own suggestion. The best Medicaid solution requires a fair, permanent, sustainable source of revenue, and SB 2013 achieves all those goals.

Mississippi can't afford lost jobs, lost revenue

- Without SB 2013, state law will force the Governor to make significant Medicaid budget cuts. No Medicaid recipient will be cut off the rolls, but cuts will be made in hospitals' reimbursements, deep cuts that will affect local jobs and local tax revenues. This is important to mayors and county supervisors, local businesses and economic developers, and community organizations.
- If the House doesn't cover the \$90 million shortfall, it actually means cutting about \$375 million, and that will take \$375 million out of circulation for Mississippi hospitals and our economy.

The best plan

- SB 2013, developed by the Mississippi Hospital Association and the Division of Medicaid, passed the Senate on a bi-partisan vote of 41-to-7.
- It is the fair, permanent, sustainable solution that maximizes the return from Medicaid to Mississippi and our hospitals.
- Tell your House member to support SB 2013 when the Special Session resumes on June 26.